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Eighth annual progress report on the implementation of the capital master plan

Report of the Secretary-General

Summary

The eighth annual progress report on the capital master plan is submitted pursuant to section II, paragraphs 31 and 34, of General Assembly resolution 57/292. It outlines the status of the renovation activity since the issuance of the previous report (A/64/346).

Significant progress was achieved over the past year, including the relocation of several thousand United Nations staff to off-site and on-site swing space, the completion and inauguration of the North Lawn Building, and the closure and commencement of construction in the Conference and Secretariat Buildings. Other major milestones included the temporary relocation of the Security Council, the construction of hoists on the Secretariat and Conference Buildings, the completion of the majority of work required in the basements, and the awarding of guaranteed maximum price contracts for additional aspects of the project. Two years into the five-year project, the Organization remains within reach of completing the project on schedule and within the budget. Additional progress was made on design and construction documents, and occupancy plans have been developed and approved with departments and offices concerning the reoccupancy of the Secretariat upon the completion of its renovation. Furthermore, the Advisory Board for the Capital Master Plan was established by the Secretary-General and held its first meeting in May 2010. During the reporting period, the Office of the Capital Master Plan continued to solicit donations for particular rooms or building components from Member States.

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I. Introduction

1. In December 2007, the General Assembly, in its resolution 62/87, approved the proposal of the Secretary-General for an accelerated strategy that would result in the completion of the capital master plan project by 2013, with lower risks of financial surprise and disruption than those inherent in the phased approach on which the prior strategy was based. The present report provides an update on the status of the project since the issuance, in September 2009, of the previous annual progress report (A/64/346).

II. Progress since the previous annual report

A. Design work

2. All design work on all the swing spaces is completed, including the North Lawn Building.

3. Design work continues on the Conference Building, Secretariat Building and basements, although all these portions of the project are already in the process of renovation.

4. During the past year, significant progress on design and estimation identified the need to value-engineer many aspects of the project, which is ongoing.

5. Detailed blast studies have been conducted on the possible impacts of events from outside the compound, and mitigating measures are being evaluated for incorporation into the design.

6. As of the issuance of the previous report, design and construction documents had been completed for approximately 80 per cent of the work of the project. The design work for the Dag Hammarskjöld Library and South Annex Buildings has not yet been completed, as they will be the last to be renovated.

7. Site and landscape design has begun, with the objective of completing related site work with the completion of each adjacent building.

8. In response to heightened security concerns and in consultation with the Department of Safety and Security, planning and studies have been initiated to better protect the interior of the compound from threats from the adjacent four roadways.

9. The innovative design features mentioned in previous reports remain a part of the project. They include open offices; a modular planning grid to make office reconfigurations easier; consolidated office conference floors; two new mid-sized conference rooms, providing greater flexibility than the current rooms; a new multi-purpose meeting room; energy-conserving underfloor cooling in the Council Chambers and energy-efficient lighting throughout the campus; the relocation of the loading dock function to the north end of the site, improving functionality and security; a relocated car entrance and exit at 42nd Street, which will improve traffic flow for cars and reduce certain blast-protection risks; a consolidated data centre in the existing underground space; and an updated central conference engineering/broadcast facility.

10. All exterior glazed surfaces of the Secretariat, Conference and General Assembly Buildings will be replaced. Known as the curtain wall, a specification has been selected for this significant portion of the project. The design requirements for curtain wall include such factors as improved energy efficiency, improved blast resistance, clarity and durability of the glazing, and historic preservation considerations.

11. Agreement was reached over the past year with relevant departments and offices to create a common crisis centre in the renovated Secretariat, rather than replicating the pre-capital master plan condition of multiple facilities with similar infrastructure. This will not only promote the "One United Nations" effort and improve communication during crises, but will also reduce the redundancies and costs associated with the construction and operation of multiple operations centres at Headquarters.

12. The design of audio-visual and congress/microphone systems for the renovated conference rooms has also been completed. A core principle of such design work is that the devices, including the cameras, projectors, screens, videoconference systems, microphones and related control and voting systems in conference rooms purchased for either the North Lawn Building or other swing space, will be reused wherever possible in the renovation of existing buildings. In parallel, under associated costs, the bid documents for the central systems that coordinate, control and store audio and video have been prepared, and the systems will be purchased in time for installation and integration into the renovated Conference Building.

B. Swing space construction and fit-out

13. A total of 1 million square feet of off-campus commercial swing space was programmed, designed and fitted out in order to prepare for the renovation work that has begun in the Secretariat and Conference Buildings. The Office of the Capital Master Plan completed the fit-out of leased space in Manhattan at 380 Madison Avenue and 305 E. 46th Street, and also at the United Nations Federal Credit Union (UNFCU) Building in Long Island City. The Office of Central Support Services leased additional commercial space for the offices that have expanded since the capital master plan budget for the accelerated strategy IV was approved in December 2007, including space at 730 Third Avenue, at 300 E. 42nd Street and at 866 United Nations Plaza (the Alcoa Building).

14. In addition to the off-campus space in Manhattan and Long Island City, on-campus swing space was also programmed, designed and fitted out, including space in the basements of the complex, in the Dag Hammarskjöld Library Building, and in the newly constructed North Lawn Building.

15. The interim location for the Security Council in the first basement of the General Assembly Building was completed in late March of 2010, and is occupied and functioning.

C. Relocations into swing space

16. After the completion of approximately 6,000 relocations, the Secretariat and Conference Buildings were vacated and made available for renovation.

17. A total of 1,841 staff and other personnel were relocated to the swing space at 380 Madison Avenue, 739 staff were relocated to the Albano Building, and 161 staff were relocated to the UNFCU Building in Long Island City, for a total of 2,741 moves.

18. Moves to newly leased office space in addition to the three principal capital master plan swing space locations listed above, were coordinated as part of the overall move programme in parallel with the capital master plan moves, and included the relocation of staff to 730 Third Avenue (445 staff) and 300 E. 42nd (464 staff), totalling 909 moves.

19. As the relocation planning was completed, it was also recognized that placing certain functions in the spaces closest to the campus would be very helpful in maintaining operational continuity during the swing space period. Moves were therefore also made within the existing annex buildings to ensure that the appropriate combination of staff was proximate to Headquarters, including the DC-1 Building (502 relocations), the DC-2 Building (281 relocations), 304 E. 45th Street (110 relocations), the Alcoa Building (29 relocations), the UNITAR Building (70 relocations) and the Daily News Building (101 relocations), for a total of 1,093 moves.

20. On-site, 273 moves were made into the new North Lawn Building. In addition, 772 other on-site moves were made, including temporary moves within the Secretariat (57 relocations), basement moves (18 relocations), two separate sequential sets of moves into the Dag Hammarskjöld Library Building (468 relocations), the South Annex Building (23 relocations), the General Assembly Building (20 relocations) and miscellaneous short-term moves to make way for short-term construction situations (186 relocations).

21. The total move programme therefore involved 5,788 moves, including both Facilities Management Service moves and capital master plan moves.

D. Lessons learned from swing space phase

22. The swing space phase has been informative and valuable to both the Office of the Capital Master Plan and the departments and offices. It has compelled the campus occupants and the capital master plan team to ascertain and clarify fundamental space and facility requirements. Each department has had to consider, rationalize and prioritize its functional requirements. Having completed the relocations, the capital master plan has been able to gather up-to-date and accurate information from the Departments and to establish baseline reference data that can be tracked and updated. This will contribute to efficiency when planning the reoccupancy of the campus. Although the Organization changes even while the planning is being undertaken in that posts are added, new entities are created, and groups combine or separate, having recent data is a very valuable baseline reference point.

23. Secondly, during the design phase for swing space, certain special operational requirements were uncovered that created a need for atypical space, such as libraries and significant storage space for files. Now that the requirements have been gathered, they are being incorporated into space planning. As an example, groups with significant needs for file storage will be placed in locations with existing heavy support structure, to avoid the need for structural reinforcing.

24. Thirdly, a full range of support spaces, such as small meeting rooms, quiet focus booths and adequate pantries, contribute to the success of open office environments. This will also be the case in the renovated facilities, and the planning is being conducted accordingly.

25. Fourthly, the methodology of gathering detailed operations information regarding office equipment, specific storage requirements, technology installations, the precise location of each staff member, and telephone requirements in time for a smooth move process was refined during the relocations, and will be applied in the return relocations. Similarly, lessons were learned about the process of ensuring the full usability of new technology in conference spaces, which will be applied to the new systems in the renovated Conference and General Assembly Buildings.

26. Lessons were also learned about the process of gaining consensus on planned locations, and the importance of extensive early involvement of a broad group of participants. This is being taken into account in the planning for reoccupancy.

27. A significant level of trust and cooperation among the various offices responsible for the capital master plan is needed for success. At this point, the Office of the Capital Master Plan, the Facilities Management Service and the Procurement Division of the Office of Central Support Services, the Office of Legal Affairs, the Department of Safety and Security and the Office of Information and Communications Technology have developed strong working relations and procedures that provide enhanced efficiency. An important lesson learned is the significance of the present arrangement whereby certain positions funded by the capital master plan within the aforementioned supporting offices has been essential to promoting cooperation and dedicated staff support to the mission of the capital master plan.

E. Commencement of renovation work

28. The renovation work in the Secretariat and Conference Buildings began in February and May 2010, respectively, and the work in the basements commenced in May 2009. The new electrical vault located in the North Lawn and its associated switchgear has been completed, and new permanent power has been activated.

29. The new technology centre located in the second basement level of the existing North Lawn Building is completed, and the functions of the technology centre formerly located in the Secretariat Building are being migrated to the new technology centre. The renovation of the third basement of the existing North Lawn Building for publishing functions will be completed in 2010.

30. The new basement-level mechanical, electrical and ventilation equipment was pre-purchased, and installation will be substantially completed by the end of 2010.

31. The phased removal of existing infrastructure has commenced in the lower basement levels, as scheduled. In addition, the installation of approximately 5 kilometres of chilled water piping has commenced, as has the installation of a new sprinkler system for the basement, which entails the installation of 8.5 kilometres of piping.

32. The new electrical conduit installation requires the installation of 22.8 kilometres of electrical conduit in the basements, and approximately 43 kilometres of new electrical wiring is under way. Conduits, fibre and backbone cable for the

new telecommunications installation is also under way. Installation of new generators, chiller plant components, cooling towers and a new electrical service vault are all well under way.

33. Construction hoist cars on the east façade of the Secretariat Building have been installed and are operational. This has enabled the commencement of asbestos abatement and the removal of partitions and ceiling on the upper floors.

34. New curtain wall systems for the Secretariat and Conference Buildings have been designed, procured and are in fabrication for installation starting in the fall of 2010 and continuing for approximately one year.

35. Temporary construction security measures have been installed, including temporary partitions, and exterior walkways, and barricades to safeguard all work areas.

36. The Interim Security Council suite was completed at the end of March 2010.

III. Schedule

37. The schedule reflected in table 1 below indicates that the overall project remains very close to the original proposed schedule in the Secretary-General's fifth annual progress report (A/62/364), and is on schedule for completion of the renovation of the Secretariat Building in 2012.

Table 1
Schedule of the capital master plan

	Projection as set out in A/63/477		*Projection as set out in A/64/346*		*Current projection*		
Activity	*Start*	*Complete*	*Start*	*Complete*	*Start*	*Complete*	*Comments (as compared to projections contained in A/63/477)*
Renovation of United Nations Headquarters	Early 2008	Mid-2013	Late 2008	Late 2013	Mid-2008	Late 2013	Delayed 3 months (as reported in 2009)
Construction of North Lawn Building	Early 2008	Mid-2009	Mid-2008	Late 2009	Mid-2008	Late 2009	Delayed 3 months (as reported in 2009)
Secretariat Building	Early 2009	Early 2012	Late 2009	Mid-2012	Early 2010	Mid-2012	Delayed 3 months (as reported in 2009)
Conference Building	Mid-2009	Mid-2011	Late 2009	Late 2011	Early 2010	Early 2012	Delayed 6 months (3 months later than last year); owing mainly to requirements to construct the Interim Security Council and additional time required to commission security and broadcast systems)
General Assembly	Mid-2011	Mid-2013	Late 2011	Late 2013	Early 2012	Late 2013	Delayed 4 months; linked to completion of the Conference Building
South Annex Building	Early 2011	Early 2012	Late 2011	Early 2013	Early 2012	Mid-2013	See para. 81

Activity	*Projection as set out in A/63/477*		*Projection as set out in A/64/346*		*Current projection*		*Comments (as compared to projections contained in A/63/477)*
	Start	*Complete*	*Start*	*Complete*	*Start*	*Complete*	
Library Building	Early 2012	Early 2013	Early 2013	Late 2013	Early 2012	Late 2013	See para. 81
Site landscaping	Mid-2009	Mid-2013	Mid-2011	Late 2013	Mid-2011	Mid-2013	
Renovation of United Nations Headquarters	Early 2008	Mid-2013	Late 2008	Late 2013	Mid-2008	Late 2013	Delayed 3 months (as reported in 2009)

IV. Value engineering

38. Value engineering is the process of trying to control costs through finding different ways of accomplishing the same design intent in a less expensive way, typically through simplifying construction, using a more readily available product, or eliminating unnecessary elements.

39. The value engineering exercise initiated in December 2007 successfully identified approximately $100 million in items that could be modified without a loss of functionality or quality. The continuation of the value engineering discipline throughout the past year has generated concepts that have allowed the Secretariat to keep the estimated cost to complete the project within a reasonable range. Cost-control efforts have also centred on promoting competition among qualified bidders, and ensuring that the bidders are clear on the scope of the work.

V. Procurement

40. In numerous previous resolutions of the General Assembly concerning the capital master plan, the Assembly requested the Secretary-General to explore ways to increase procurement opportunities for vendors from developing countries and countries with economies in transition. The Secretariat continues to work (including working closely with the construction manager) to ensure that all procurement opportunities are extended and communicated on as widely as possible.

41. Consistent with previous periods, this activity includes contribution to notes verbales, review of requests for Expressions of Interest issued by the construction manager, contribution to procurement seminars both overseas and in New York and briefing representatives from trade organizations and overseas missions. In addition, the Procurement Division responds to all initial supplier contacts and enquiries in order to ensure that appropriate advice is given with regards to current procurement opportunities and the mandatory requirement for suppliers to register as vendors to the United Nations via the Global Marketplace website. The Procurement Division seeks updates from the construction manager on a regular basis regarding the continued implementation of the Skanska outreach plan, bulk purchase and standardization activity and country-of-origin reporting.

42. It is still expected and planned that these actions will continue for the remainder of the project schedule.

43. Of note during the forthcoming reporting period will be efforts to communicate procurement opportunities for the supply of office and specialist furniture for the refurbished campus. This initiative has commenced and has included briefings to missions and vendors. The Procurement Division will continue to ensure that these opportunities are widely communicated.

44. In accordance with earlier General Assembly requests to the Secretary-General, the Secretariat continues to carry out all other secondary procurement oversight activity as set out in the seventh annual progress report (A/63/346) to ensure that procurement processes are conducted in a transparent manner.

45. Of note during the reporting period are full attendance by the Procurement Division at levelling (bid review) meetings and the negotiation and implementation of detailed guidelines for recording levelling activity.

46. During the period, the Procurement Division has negotiated further construction management agreements for major subproject works, including the agreement for the fit-out of the Secretariat Building. Such negotiations remain subject to appropriate approvals by the Headquarters Committee on Contracts and the Assistant Secretary-General for Central Support Services.

47. The Procurement Division continues to review and approve change orders submitted by the construction manager and formalize them as contract amendments, as defined in the procurement regulations and rules of the Organization. During the coming reporting period, amendments issued under the Procurement Division's special delegation of authority will be submitted for review to the Post-award Review Committee. This Committee has been established and has commenced the process of reviewing change-orders, as recommended by the Board of Auditors.

48. The Procurement Division continues to respond on a regular basis to lease administration issues.

49. Further key activity planned by the Procurement Division within the next period includes tender action in support of the campus-wide furniture standardization initiative and the negotiation and execution of a number of construction management agreements, including those for the Conference Building, the General Assembly and various specialist technical systems.

VI. Health and safety

50. Improving the safety of occupants and visitors and providing a healthy work environment at United Nations Headquarters continues to be a major objective of the capital master plan. One of the most important steps in this regard is the removal of all asbestos-containing materials from the Headquarters complex.

51. Throughout implementation of the capital master plan, asbestos abatement contractors working under the construction manager as subcontractors have been performing the work required for the abatement of asbestos-containing materials in accordance with international and host country regulations. Asbestos abatement work has already occurred in the Dag Hammarskjöld Library in the context of its use as on-site swing space, in many areas of the basements, and in the Secretariat

and Conference Buildings. Asbestos will be abated in all locations at Headquarters throughout the duration of the project.

52. The work will continue to be monitored by an independent asbestos abatement consultant who reports to the capital master plan. The consultant does not serve as a subcontractor to the construction manager. Staff who will remain on site in building segments isolated from the work areas have been briefed about the procedures and safety precautions relating to asbestos abatement.

53. As required by the capital master plan, the construction manager, working in cooperation with the Department of Safety and Security, developed and implemented a safety and security plan for the construction site. The plan contains all relevant regulations established by the host country's Occupational Safety and Health Administration. The safety and security plan has been effective in maintaining safe working conditions, and no out-of-compliance reports against the construction manager have been reported.

54. With the completion of more than 2 million person-hours of construction work so far, the capital master plan remains one of the safest projects in the host country, with only a few minor work-related injuries to construction workers, and no staff, delegate or visitor incidents reported since the ground-breaking of the North Lawn Building in May 2008.

VII. Parking

55. It was reported in the previous annual progress reports (A/63/477 and A/64/346) that, in order to improve security at the Headquarters complex, changes to the garage would be required. As a result, approximately 350 parking spaces would be permanently eliminated, in part owing to the required relocation of utilities throughout the lower levels as well as the need to eliminate parking under portions of the General Assembly Building.

56. Renovation work in the basements impacts all the parking areas. Efforts are being made to carefully phase the reduction of available parking space to minimize any adverse impact on garage users. All construction and repair projects in the garage are being implemented in such a manner as to ensure the impacted parking spaces at any given moment do not exceed 350 spaces, to the extent possible without jeopardizing the overall schedule of the capital master plan project. Occasionally, additional short-term impacts might occur.

57. To decrease the demand for parking spaces, the Office of Central Support Services has taken several steps, including reducing temporary parking permits by 40 per cent, discontinuing daily permits and suspending the issuance of new parking medallions to staff. United Nations staff members have also been encouraged to surrender parking medallions and to carpool to the extent possible. In the long term and over the duration of the capital master plan, the required reduction in garage users will be achieved through attrition, as current holders retire or leave the Organization and surrender their permits.

58. As noted in the previous progress reports, the use of the United Nations garage will be limited to official activities to facilitate the conduct of the Organization's daily business during construction. The understanding and cooperation of all permit

holders to reduce their usage of the garage will continue to be required as the project progresses.

VIII. Artwork

59. The closure of the Conference and Secretariat Buildings necessitated the removal or protection of a substantial quantity of gifts which had previously been furnished to the United Nations by various donors, including the Member States.

60. The construction of the North Lawn Building required the relocation of several outdoor statues and sculptures. Outdoor artworks were temporarily relocated within the Headquarters compound for this purpose.

61. The inauguration of the North Lawn Building in January 2010 provided the opportunity for a number of gifts to remain on display in the new building, instead of being placed in storage. This resulted in cost savings, and also allowed many of the gifts to be seen and appreciated by delegates, staff and visitors in the North Lawn Building.

62. The first group of gifts to be relocated to the North Lawn Building were those which had been located in the Conference Building as well as those located in the Secretary-General's office in the Secretariat Building. The first phase of the relocation of the gifts started in December 2009 and was finalized by January 2010.

63. Five Member States retrieved their gifts for conservation purposes; one requested that a gift being kept in storage owing to its bad condition be destroyed and disposed of.

64. The gifts on display at the Security Council area in the Conference Building were relocated to the Interim Security Council area, and one painting was relocated to an exterior storage facility with the appropriate climate conditions to undergo conservation work before being reinstalled.

65. A group of the gifts that could not be removed from the Conference Building owing to their size or condition were crated and relocated to safe areas on site, mainly the neck between the General Assembly Building and the Conference Building. That relocation process was finalized by 30 April 2010.

66. Two works of art will be protected in situ during construction in the Conference Building.

67. As the relocation to the North Lawn Building was being implemented, the retrieval of artwork on loan to the Organization was coordinated with the lenders.

IX. Sustainability

68. As indicated in previous reports, an improvement in the environmental performance of the Headquarters facility is a significant goal of the capital master plan. The latest projections confirm that energy consumption will be reduced by at least 50 per cent as compared with existing conditions, greenhouse gas emissions will be reduced by 45 per cent, and water consumption will be reduced by 40 per cent.

69. Although as an international organization the United Nations is not subject to the jurisdictions of the various standards for environmental design and construction, consultants to the capital master plan continue to advise that the project when completed will meet or exceed the various national standards in use by Australia, Japan, the United States of America, and the United Kingdom of Great Britain and Northern Ireland. As indicated in previous reports, the project is on-track to meet the "gold" rating of the United States Green Building Council's Leadership in Energy and Environmental Design system, to meet the "very good" rating of the United Kingdom's Building Research Establishment Environmental Assessment Method system, and to achieve "A" in Japan's Comprehensive Assessment System for Building Environmental Efficiency system and "four stars" in Australia's Green Star system.

70. Another measure of environmental performance is the degree to which construction debris is diverted from landfills. Since construction commenced, the project's construction manager has removed approximately 7,671 cubic yards of material from the site, almost 89 per cent of which has been recycled and thus diverted from landfills.

71. The Office of the Capital Master Plan has continued to pursue a number of potential demonstration projects for installation at Headquarters, including a rainwater harvesting project and expanded photovoltaic roof panels. Donor interest has been solicited in the context of the donations programme, although to date no Member State has indicated interest.

X. Restoration of the character-defining features

72. While many aspects of the capital master plan are directed towards design improvements in the areas of sustainability, security and accessibility, significant efforts are being made at preserving the character-defining features of the complex, especially the areas open to the public in the General Assembly and Conference Buildings.

73. The United Nations Headquarters is one of the first large-scale structures of global impact erected in the aftermath of the Second World War. As an organization emblematic of modernity in championing social, political and economic progress, its design is appropriately modern, and it played a seminal and highly symbolic role in both establishing mid-twentieth-century modernism as the dominant architectural form of its day. A significant effort is being made to preserve and restore the character-defining features that best represent the essence of the design intent throughout Headquarters.

74. Aspects of the restoration, which are fully integrated with all of the necessary building improvements, will be especially evident in the areas used by delegates and areas open to the public within the Conference and General Assembly Buildings, but will also include significant spaces throughout the complex, including gifts of Member States. Overall, the rehabilitation effort will enable the Headquarters to best represent once again the design aesthetic of its creators, symbolic of the optimism that accompanied the founding of the Organization, in a facility that is fully functional for contemporary use.

XI. Security

75. As authorized by the General Assembly, the capital master plan will include a number of upgrades designed to improve the security of the Headquarters and the delegates, staff and visitors who work at or visit the premises. The design of the curtain wall, for example, has been strengthened to reduce the potential harm to building occupants in the event of an explosive blast.

76. Over the past year, the Office of the Capital Master Plan, in consultation with the Department of Safety and Security, undertook a series of studies to examine the effect on the designs of potential vehicle-borne explosive devices both within the compound and on the host country roadways adjacent to the Headquarters.

77. A strategy to protect the occupants of the compound from vehicle-borne explosives within the compound has been incorporated into the project. It includes the removal of parking under the General Assembly Building, the reinforcement of specific building elements within the parking areas adjacent to occupied areas, and the relocation of the truck unloading dock from the service drive to the exterior of the compound on 48th Street.

78. The studies confirmed that the designs for the Secretariat, Conference and General Assembly Buildings are acceptable to the Department of Safety and Security, although further studies are under way to define additional steps that might be beneficial outside the compound. Studies are still under way on the level of protection that can be provided for the Dag Hammarskjöld Library Building and the South Annex Building. These additional studies will provide information on the possible renovation scope of work for the two buildings.

XII. Relations with the host country

79. As reported in the previous progress reports, in January 2008, the United Nations reached an understanding with the authorities of the host country concerning the process by which the United Nations would seek to apply host city building, fire and safety codes without prejudice to the privileges and immunities of the United Nations.

80. During the period covered by the present report, the United Nations and the host country maintained a constructive dialogue on matters pertaining to the capital master plan, and the host city provided assistance and support with respect to the process of reviewing the Organization's construction documents, in accordance with the January 2008 understanding. Coordination and dialogue with city authorities have been productive, and the relationship between the Organization and the host city continues to be strong.

81. A subject of particular discussion has been the respective expectations of the host country and the Department of Safety and Security in reference to the capital master plan construction scope regarding the perimeter security and how it can be strengthened. Discussions with the host country are continuing.

XIII. Accessibility

82. The capital master plan deals with physical accessibility of the renovated facilities. The design of alterations to improve physical accessibility was implemented by the professional design firms, in accordance with applicable codes and standards, in both the initial design work and in the preparation of the construction documents. In addition, the construction documents for the renovation of the Conference Building were reviewed by an external expert for issues beyond code requirements. Many of their ideas have been implemented in the final design, including ways of making the galleries of the chambers accessible, improving circulation for mobility-impaired staff and providing ramps (rather than lifts) to podiums.

83. In summary, the major areas of improvement will be:

(a) Entrances (including power-assisted doors at all major entrances);

(b) Horizontal circulation within the building, whereby doors will have proper adjacent spacing, width and pressure;

(c) Vertical transportation, with all elevators accessible and controls situated at appropriate heights;

(d) An appropriate number of fully accessible toilet facilities;

(e) Life safety systems, including speakers/strobes;

(f) Signage at required minimum sizes, as well as Braille signage for all permanent information;

(g) Enhanced support for T-switch-equipped assisted-listening devices, which enable direct transmission to assisted-hearing devices, will be implemented to the extent technically feasible;

(h) Podiums in all conference rooms will be lowered enough to allow ramp access.

84. One area that remains difficult to improve is wheelchair accessibility to existing interpretation booths. However, all of the interpretation booths in the new Conference Rooms 11 and 12 in the General Assembly Building will be fully accessible, as are all of the interpretation booths in the North Lawn Building.

XIV. Advisory Board

85. In December 2009, as requested by the General Assembly, the Secretary-General appointed the members of the Advisory Board of the Capital Master Plan, consisting of one representative from each of the five regional groups of the United Nations, and chaired by a representative from the host country. The Advisory Board consists of representatives from Brazil, India, Kenya, Poland, Switzerland and the United States.

86. The Advisory Board held its first meeting at Headquarters on 17 and 18 May 2010, where the members were briefed on the project and had an opportunity to see construction in progress. The second, most recent, meeting took place on 13 and 14 September 2010.

XV. Donations

87. The General Assembly, in its resolutions 57/292, 60/256 and 61/251, has encouraged the Secretary-General to seek donations for the capital master plan.

88. A donations policy was developed and communicated to Member States on 5 January 2009. Subsequently, the General Assembly decided, in its resolution 63/270, not to endorse the donations policy, and requested the Secretary-General to make new proposals in this regard that allow all Member States, without distinction or conditions, to make donations in full conformity with the international and intergovernmental character of the Organization, as well as the Financial Regulations and Rules of the United Nations and without prejudice to the scope, specifications and design of the project. Accordingly, the donations policy was amended to take into account the views of the General Assembly.

89. To date, a number of Member States have indicated interest in participating in the donations programme, and discussions are under way with a view to concluding the necessary agreements with each Member State.

XVI. Projected cost

90. The budget of the capital master plan was established at $1,876.7 million by the General Assembly in its resolution 61/251. It was based upon the projected cost of a phased renovation at that time. Owing to delays in the execution of the project in 2006 and 2007, the effects of inflation caused the projected cost of the project to increase to $2,096.3 million, creating a projected budget deficit of $219.6 million. The approval of accelerated strategy IV in December 2007 resulted in a projected cost of $2,066.8 million, with a reduced projected budget deficit of $190.1 million.

91. Value engineering initiatives incorporated into the design of the project before the current progress report lowered the projected cost to $1,968.1 million, with a reduced budget deficit of $91.4 million.

92. At this time, with 75 per cent of the capital master plan commitments already bought and locked in, the projected cost is $1,956.8 million, with a budget deficit of $80.1 million, a reduction of $11.3 million from last year. This is indicated in table 2.A below. It should be noted that these costs are the cost of the capital master plan project and do not include any of the associated costs or the costs of the secondary data centre.

Table 2.A
Budget of the capital master plan
(Thousands of United States dollars)

	Accelerated strategy	
	As at September 2009	*As at September 2010*
Renovation		
Construction	1 057 402	1 016 920
Professional fees, management costs	302 365	316 549
Subtotal	**1 359 767**	**1 333 469**

	Accelerated strategy	
	As at September 2009	*As at September 2010*
Swing space estimate		
Office swing space	273 622	267 924
Library swing space	2 714	2 714
Conference swing space	150 545	150 475
Subtotal	**426 881**	**421 113**
Total cost for renovation and swing space	**1 786 648**	**1 754 582**
Contingency/escalation	181 423	202 209
Total project	**1 968 071**	**1 956 791**
Approved budget	1 876 700	1 876 700
Variance against approved budget	91 371	80 091

93. Explanation of variances:

(a) *Construction*. Owing to continuous value engineering, the favourable economic climate and intense price negotiations between the United Nations and Skanska leading up to the signing of each guaranteed maximum price proposal, savings are projected in the construction costs for the project. It should be noted that currently, the guaranteed maximum price for the Conference Building is being negotiated, with the aim of bringing down the proposed price, as it exceeds the allotted budget. In addition, projections for some of the remaining work in the basements exceed the budget allocation for that portion of the work. This will require extensive value engineering and negotiations;

(b) *Professional fees, management costs*. Owing to strategic changes, programme changes, refinements, and ongoing value engineering in an effort to reduce the construction costs, designs had to be modified to reflect those developments. Management costs increased owing to the addition of two project managers and one administrative staff to the capital master plan project staff, which was needed as a result of the significant increased workload after entering the construction phase. However, the overall percentage of design fees versus the construction budget, stands at 8.9 per cent. The industry average is between 8 and 10 per cent, therefore the design fees, even after the complete redesign required by the change from strategy IV to the accelerated strategy, are within the appropriate range. The full cost of the swing spaces was very close to the original budget. Increases due to change orders were absorbed from the contingency reserve;

(c) *Contingency*. Whereas contingency was calculated at 10 per cent on signed guaranteed maximum prices and 20 per cent on unsigned guaranteed maximum prices in the fall of 2009, some modifications were made that reflect the more advanced status of the project as well as the recommendations by the Board of Auditors (A/64/5 (Vol. V)). Currently, the contingency budget is calculated as:

(i) Actual contingency spent on subprojects already completed (swing spaces), as the final contingency spent on these projects is known;

(ii) 10 per cent contingency budget for guaranteed maximum prices signed but not yet completed;

(iii) 15 per cent contingency budget for as of yet unsigned guaranteed maximum prices. The 15 per cent includes a provision for future escalation, as recommended by the Board of Auditors.

94. The reduced deficit of $80.1 million represents approximately 4 per cent of the capital master plan budget. The Office of the Capital Master Plan continues to be hopeful that, with careful management, it will be able to complete the project on or close to budget. Intensive and continuing efforts are being made to further reduce the projected deficit.

95. The budget reflects that the capital master plan continues to keep its costs very close to the original budget, and is reducing its deficit each year. The yearly progression is shown in table 2.B below.

Table 2.B
Budget of the capital master plan
(Millions of United States dollars)

	Approved strategy IV	*Accelerated strategy IV*	*Accelerated strategy*		
	As at August 2007	*As at January 2008*	*As at September 2008*	*As at September 2009*	*As at September 2010*
	As set out in A/62/364, table 1	*As set out in A/62/364, table 1*	*As set out in A/63/477, table 1*	*As set out in A/64/346, table 2*	*As set out in table 2.A above*
Projected cost to complete	2 096.3	2 066.8	1 974.2	1 968.1	1 956.8
Approved budget (Resolution 61/251)	1 876.7	1 876.7	1 876.7	1 876.7	1 876.7
Variance against approved budget	219.6	190.1	97.5	91.4	80.1

96. Notwithstanding the successive annual reductions in the projected deficit against the approved budget, the Office of the Capital Master Plan does not consider it possible for the capital master plan project to absorb the associated costs or the costs of the secondary data centre.

XVII. Other financial considerations

A. Secondary data centre

97. In its resolution 63/269, the General Assembly took note of the report of the Secretary-General entitled "Information and communications technology, disaster recovery and business continuity for the United Nations: arrangements for the secondary data centre at Headquarters" (A/63/743), and endorsed the conclusions and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions (A/63/774), subject to the provisions of the resolution. In paragraph 12 of the resolution, the General Assembly requested the Secretary-General to absorb $5,096,880 within the budget of the capital master plan, and decided that $2,031,860 shall be financed from the resources to be approved for the support account of peacekeeping operations from 1 July 2009 to 30 June 2010 in order to pursue the most reliable and cost-effective risk mitigation measures during the migration of the primary data centre to the North Lawn.

98. In section II of its resolution 64/228,[1] the General Assembly urged the Secretary-General to continue to closely monitor the situation to ensure that the activities related to the migration and running of the secondary data centre are completed in accordance with the time frame of the capital master plan and to continue to take advantage of the economic climate in order to negotiate the most cost-effective lease and services possible and to report thereon to the General Assembly in the context of the eighth annual progress report.

99. In the same resolution, the General Assembly requested the Secretary-General to absorb $11,644,530 for the biennium 2010-2011 within the approved budget for the capital master plan, and decided that the Secretary-General should include $1,254,190 in the proposed requirements for the support account for peacekeeping operations for the period from 1 July 2010 to 30 June 2011 and $941,640 in the proposed requirements for the support account for peacekeeping operations for the period from 1 July 2011 to 30 June 2012.

100. The aggregate resources approved by the General Assembly total $20.97 million. Total expenditure to date in respect of the secondary data centre project amounts to $6.06 million. The Office of Information and Communications Technology estimates that future resource requirements, which comprise the lease of the secondary data centre facility and contractors, for the remainder of the biennium 2010-2011 amount to $13.71 million, which gives a total projected expenditure of $19.77 million.

101. The secondary data centre facility located in Piscataway, New Jersey, became operational during the last quarter of 2009. The Centre is providing disaster recovery for a number of core United Nations Headquarters applications such as the Integrated Management Information System, Lotus Notes e-mail and Blackberry service. The report of the Secretary-General (A/63/743) itemized a number of important applications, which were hosted in the DC-2 Building for the purpose of disaster recovery, have been successfully migrated to the new secondary data centre, with backup capability.

102. The secondary data centre project was completed in time to ensure uninterrupted service for systems being relocated during the period of the primary data centre migration, thus mitigating risks associated with the move. This interim solution for the secondary data centre is cost-effective and will be re-evaluated pending the further detailed work that is necessary before the unified information and communications technology disaster recovery plan and business continuity approach is implemented.

B. Associated costs related to the capital master plan

103. In section III, paragraph 9, of its resolution 64/228, the General Assembly requested the Secretary-General to submit to the Assembly, for its decision at the main part of its sixty-fifth session, in the context of his eighth annual progress report, proposals for financing the associated costs required for the year 2011 from within the approved budget for the capital master plan. The Secretary-General's response to that request is set out in addendum 1 to the present report (A/65/511/Add.1).

[1] Section II, entitled "Risk mitigation measures to protect data and the information and communications systems of the Secretariat".

XVIII. Financing

104. By paragraph 14 of its resolution 61/251, the General Assembly decided to establish two different options for the assessment and payment of costs by Member States for the capital master plan.

105. As at 30 September 2010, 12 Member States had selected the one-time payment option and 180 Member States had selected the equal multi-year assessment of five years in accordance with the pre-established selection criteria and deadlines specified in resolution 61/251. A total of $340.96 million of funding has yet to be assessed on Member States. As at 30 September 2010, an amount of $83.8 million in assessments remains unpaid to the capital master plan for 2010 and prior periods.

XIX. Internationally syndicated letter of credit

106. To date there remains no need for the establishment of a letter of credit, as authorized by the General Assembly in paragraphs 24 to 34 of its resolution 61/251. However, the authority has been and should continue to be maintained, to provide assurance to the construction manager that adequate funding for the project is available.

XX. Working capital reserve

107. In its resolution 61/251, the General Assembly approved the establishment of a working capital reserve of $45 million under the capital master plan account. As at 31 July 2010, an amount of $12,385 remained outstanding.

XXI. Status of appropriations and expenditures

108. The total appropriation to date is $1,876.7 million, broken down as follows:

(a) In its resolution 57/292, the General Assembly appropriated $25.5 million for the design development phase of the capital master plan and authorized commitments of up to $26.0 million for the biennium 2004-2005 for the preparation of construction documents;

(b) In its resolution 59/295, the Assembly decided to convert $17.8 million of the $26.0 million commitment authority into an appropriation and renewed the existing commitment authority for 2006 for the balance of $8.2 million;

(c) In its resolution 60/248, the Assembly decided to convert the balance of the existing commitment authority of $8.2 million into an appropriation for 2006;

(d) In its resolution 60/256, the Assembly appropriated an additional $23.5 million for financing the design and pre-construction phases of the capital master plan, including swing space requirements, and provided commitment authority for up to $77.0 million for the biennium 2006-2007 to provide for the construction, fit-out and related requirements of a conference swing space building

on the North Lawn and for the leasing, design pre-construction services, fit-out and related requirements of library and office swing space;

(e) In its resolution 60/282, the Assembly decided to convert the existing $77.0 million commitment authority into an appropriation, which was assessed in 2006;

(f) In its resolution 61/251, the Assembly decided to appropriate $42.0 million for 2007 for the design and pre-construction phases of the capital master plan, including swing space requirements;

(g) In its resolution 62/87, the Assembly decided to appropriate $992.8 million for the biennium 2008-2009 for the project;

(h) In its resolution 64/228, the Assembly decided to appropriate $689.9 million for the biennium 2010-2011 for the project.

109. Actual expenditures for the project as at 31 July 2010 amount to $1,172.7 million. This consists of actual expenditures of $3.2 million for the 2002-2003 biennium, $21.3 million for the 2004-2005 biennium, $81.3 million for the 2006-2007 biennium, $809.9 million for the 2008-2009 biennium and $256.8 million for 2010 through 31 July 2010. Actual and projected expenditures for the period 2003-2010 by category are detailed in table 3 below.

Table 3

Expenditures for the period 2003-2010 for the design development, construction documents and construction administration phases and for pre-construction services and construction

(Thousands of United States dollars)

	2002-2003	*2004-2005*	*2006-2007*	*2008-2009*	*Jan-July 2010*	*Total*	*Projected Aug-Dec 2010*
Design contractual services	612.1	12 298.0	35 751.7	62 246.9	4 145.3	115 054.0	8 535.2
Direct staff costs	1 611.1	3 179.2	3 908.3	5 967.6	1 893.9	16 560.1	1 452.6
Support costs	180.6	1 167.6	1 545.2	3 333.9	1 064.2	7 291.5	1 126.7
Operating and other costs	556.0	1 067.4	1 321.1	4 398.9	5 093.1	12 436.5	1 062.5
Programme management and other consultants	245.7	3 131.4	8 642.2	18 158.7	3 345.9	33 523.9	654.1
Construction and pre-construction	—	—	7 022.0	362 416.8	182 916.9	552 355.7	162 363.3
Swing space cost	—	506.3	24 729.2	356 928.9	58 334.4	440 498.8	13 535.6
Subtotal	**3 205.5**	**21 349.9**	**82 919.7**	**813 451.7**	**256 793.7**	**1 177 720.5**	**188 730.0**
Prior period savings: liquidated obligations		(12.8)	(1 522.1)	(3 492.6)	—	(5 027.5)	
Total	**3 205.5**	**21 337.1**	**81 397.5**	**809 959.1**	**256 793.7**	**1 172 693.0**	

XXII. Overall financial requirements of the capital master plan

110. In paragraph 133 of the report of the Board of Auditors on the capital master plan for the year ended 31 December 2008 (A/64/5 (Vol. V)), the Board recommended that, in accordance with General Assembly resolution 63/270, the Administration disclose in the cost estimate for the capital master plan the

associated costs approved by the General Assembly. Table 4 below reflects the overall financial requirements of the capital master plan, taking into consideration the projected cost of the capital master plan project, the General Assembly resolutions requesting the Secretary-General to absorb, within the approved budget of the capital master plan, the requirements of associated costs for the biennium 2008-2009 and secondary data centres and projected requirements for associated costs for the year 2010 and risk mitigation measures to protect data and the information and communications systems of the Secretariat during construction work under the capital master plan.

111. Based on the payment of assessed contributions by Member States, the financial position of the project, including cash flow projections, is sound for 2010 and 2011. However, anticipated costs projected to be payable in 2012 will require the authorization and appropriation of additional funds above those amounts approved to date, to take into account the associated costs absorbed by the project as well as other factors, including the costs relating to the secondary data centre and possible cost overruns.

112. The overall financial requirements for the project as at 31 July 2010 amount to $2.046 billion. This consists of a projection of $1.956 billion for the capital master plan project, $72.4 million for associated costs, as approved by the General Assembly (see resolutions 63/270 and 64/228), and $16.8 million for the secondary data centre, as approved by the General Assembly (see resolutions 63/269 and 64/228).

Table 4
Overall financial requirements of the capital master plan

(Thousands of United States dollars)

		Projected requirements		
		Construction (1)	*Associated costs[a] (2)*	*Secondary data centre (3)*
Capital master plan project		1 956 800		
Associated costs for the biennium 2008-2009[b]			30 300	
Secondary data centre for 2008-2009[c]				5 100
Associated costs for 2010[d]			42 100	
Secondary data centre for 2010-2011[d]				11 700
Proposals for financing the associated costs from within the approved budget for the capital master plan			72 400	
Proposal for risk mitigation measures to protect data and information and communications systems of the Secretariat during construction work of the capital master plan				16 800
Approved capital master plan budget		1 876 700	—	—
Variance against approved budget		**81 100**	**72 400**	**16 800**
Total projected requirements (1+2+3)	***2 046 000***			

[a] Does not include estimates for associated costs for the period 2012-2013.
[b] See resolution 63/270.
[c] See resolution 63/269.
[d] See resolution 64/228.

XXIII. Conclusions and recommendations

113. The project remains within reach of completion on time and on budget. Although both goals may not be fully achieved, it is projected that the work will be completed within no more than 10 per cent of the approved budget and within several months of the original projected completion date.

114. **The Secretary-General recommends that the General Assembly:**

(a) **Take note of the progress made since the issuance of the seventh annual progress report;**

(b) **Request the Secretary-General to continue reporting on the status of the project, the schedule, the projected cost to complete, the status of contributions and the working capital reserve.**